

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 117

May 16, 1996, 8:31 p.m.
Page S-5173 Temp. Record

BUDGET RESOLUTION/\$50 Billion Medicare Increase, Higher Taxes

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Abraham motion to table the Rockefeller modified amendment No. 3979.

ACTION: MOTION TO TABLE AGREED TO, 55-43

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Rockefeller amendment would increase spending on Medicare by \$50 billion over the next 6 years and would offset that cost by directing the Finance Committee to increase its tax collections by \$50 billion. The sponsor of the amendment stated that it was his intent for the Finance Committee to meet its instructions by "closing corporate loopholes" (which were not identified) and by extending expiring temporary taxes.

Debate on a first-degree amendment to a budget resolution is limited to two hours. Debate on the Rockefeller amendment was further limited by unanimous consent. Following debate, Senator Abraham moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The Rockefeller amendment would gut the reform proposals in the Republican budget that will save the Medicare system from bankruptcy. No reforms are offered in their place; instead, the amendment's supporters confidently assure us that we need not worry because we have a few years yet in which to enact reforms before Medicare collapses. Our colleagues' position is unacceptable. The

(See other side)

YEAS (55)			NAYS (43)		NOT VOTING (2)	
Republicans (52 or 100%)	Democrats (3 or 7%)		Republicans (0 or 0%)	Democrats (43 or 93%)	Republicans (1)	Democrats (1)
Abraham	Helms	Heflin		Akaka	Kassebaum- ²	Pryor- ²
Ashcroft	Hutchison	Kerrey		Baucus		
Bennett	Inhofe	Nunn		Biden		
Bond	Jeffords			Bingaman		
Brown	Kempthorne			Boxer		
Burns	Kyl			Bradley		
Campbell	Lott			Breaux		
Chafee	Lugar			Bryan		
Coats	Mack			Bumpers		
Cochran	McCain			Byrd		
Cohen	McConnell			Conrad		
Coverdell	Murkowski			Daschle		
Craig	Nickles			Dodd		
D'Amato	Pressler			Dorgan		
DeWine	Roth			Exon		
Dole	Santorum			Feingold		
Domenici	Shelby			Feinstein		
Faircloth	Simpson			Ford		
Frist	Smith			Glenn		
Gorton	Snowe			Graham		
Gramm	Specter			Harkin		
Grams	Stevens					
Grassley	Thomas					
Gregg	Thompson					
Hatch	Thurmond					
Hatfield	Warner					

EXPLANATION OF ABSENCE:

1—Official Business
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:

AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

sooner we act, the less extreme, and painful, the reforms will have to be to save Medicare.

In arguing in favor of this amendment, some Senators have noted that Medicare has faced short-term insolvency problems on prior occasions. This statement is true, but those Senators should know better than to compare those prior problems with the problem facing Medicare today. The difference, as our colleagues are aware, is actuarial. Prior problems pale in comparison to the problem of the growing number of senior citizens on Medicare and the shrinking number of working Americans paying into the Medicare system. Medicare has steadily run surpluses for years. For fiscal year 1996, it was supposed to run a \$4.5 billion surplus, but instead it will run a \$37 million deficit. Each year from now that amount will grow exponentially.

Where will that money come from? It will not come from the trust fund--that is comprised of Treasury note IOUs, which must be redeemed from funds from the Treasury's general fund. Do our Democratic colleagues intend to add it to the debt? We certainly do not see them willing to cut spending--it took us nearly a year of wrangling to get them to agree to the \$23 billion in appropriations reductions we made last year. We know they will be willing to impose more taxes, as always, but even if we call everyone in America rich and tax them at a rate of more than 80 percent it will not be possible to keep Medicare and other entitlement programs afloat as they are currently structured. We are in an absolute crisis situation. If we make reforms now, we can stop the annual Medicare deficits from snowballing, and we can even improve health care services in the process. If we wait, as our colleagues suggest, we will run massive yearly deficits, we will deplete the trust fund, and we will either have to cut needed medical care or impose tax burdens that are too high to bear. If, as we have no doubt some Democrats are capable of doing, we do nothing, and allow our country to go into bankruptcy, the result will be rampant inflation that will be devastating to retired senior citizens on fixed incomes.

The Republican proposal on Medicare will extend its solvency for 10 years. It will slow the rate of growth to 6.1 percent over the next 6 years, which is still twice the rate of inflation. Per beneficiary spending will rise by 35 percent, from \$5,200 in 1996 to \$7,000 in 2002. Fundamental reforms will be enacted to expand beneficiaries medical options, providing them more services at less cost. The Republican approach is comprehensive and it is needed. Democrats, unfortunately, have been unwilling to join in the debate. They instead have insisted on the status quo, and has tried to gain partisan advantage by making cheap political attacks on Republicans for trying to enact real reforms. For instance, Democrats have insisted throughout this debate that we want to "cut" Medicare to get money to give tax breaks to the rich, even though they know that we have proposed having Medicare grow at twice the rate of inflation, and even though they know that the only tax cuts that are in this bill are for children.

The only "reform" of any substance that the Democrats have proposed is to transfer home health care services from Part A to Part B. That transfer will not solve anything--it is just a bookkeeping gimmick. Spending will continue at the same pace. The only way that it could actually result in any savings is if home health care services were then denied. We certainly do not favor that result--we do not think that the way to reform Medicare is to start eliminating, one-by-one, the services that it provides.

The Rockefeller amendment, in summary, is a proposal to do nothing. It does not even enact a real short-term solution. We need to enact comprehensive reforms to address the growing actuarial problem, and the sooner we do so the more moderate the solution can be. We urge Senators to stop playing political games with Medicare. We urge them to defeat this amendment.

Those opposing the motion to table contended:

The budget resolution before us achieves balance in fiscal year 2002. The President's proposed budget also achieves balance in fiscal year 2002. Thus, the question is not whether we will balance the budget, but how. The President's budget is fairer than the Republicans' budget. This greater fairness is most evident in his proposal for Medicare. In total, the President's budget would cut 44 percent, or \$50 billion, less over 6 years than would the Republicans' budget. Therefore, we have offered the Rockefeller amendment to add back \$50 billion in Medicare spending. To offset this greater spending, the amendment would increase tax collections by closing tax loopholes for corporations and by extending expiring tax provisions.

Some Senators have disparaged the President's plan to move home health care from Part A to Part B. We think that move is legitimate. Before 1980, most home health care services were provided under the optional Part B program. Putting those services under Part A, which never had payroll taxes collected to pay for them, has greatly increased the solvency problems of the Part A trust fund.

The reason that Republicans want to cut so much out of Medicare is that they want to give more tax breaks to their rich friends. Their resolution states that it would: "accommodate further tax reform or tax reductions, to be offset by the extension of expired tax provisions or corporate and business tax reforms. Such tax reductions could include proposals such as economic growth, a capital gains tax reduction package, State tax reform, economic growth . . .". They tell us that the only tax reduction in their resolution now is the \$500 per child tax credit, but they are clearly contemplating passing tax breaks that will benefit the wealthy.

Enacting the Rockefeller amendment would delay the projected insolvency date of Medicare by a year. That is not a long delay, but Senators need not be concerned. Medicare has been nearly broke at many times in the past, and bipartisan solutions have always been worked out. We have no reason to believe that anything is different this time. We should form a bipartisan commission to solve Medicare's problems after this election is over. Right now, because of politics, we do not think any solution is possible. We therefore urge our colleagues to accept the Rockefeller amendment.